



Welfare Reform Affects USDA's Food-Assistance Programs

Victor Oliveira
(202) 694-5434

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) made fundamental changes to the Nation's welfare system. Underlying these changes was the belief that the long-term guarantee of benefits contributes to the chronic welfare dependency of many families in this country. The primary goal of the law was to reduce long-term welfare dependency while simultaneously preserving the function of Government assistance as a safety net for families experiencing temporary financial problems.

The comprehensive Act contained provisions with far-reaching implications in a number of areas and across a wide range of welfare programs. This article focuses on those provisions having a significant impact on USDA's food-assistance programs, notably modifications of the Food Stamp and Child Nutrition Programs, restrictions on the eligibility of most legal immigrants for Government assistance, and the replacement of the Aid To Families With Dependent Children (AFDC) Federal program with a lump-sum payment, or "block grant," to States. Preliminary analysis suggested that the provisions affecting USDA's

food-assistance programs alone would account for almost half of the Act's projected \$54-billion reduction in Federal spending over 1997 to 2002.

The Act Eliminates Food Stamp Benefits for Some

The Act reauthorized the Food Stamp Program through fiscal 2002. Although the Act made major changes in the Food Stamp Program, the Nation's principal nutrition-assistance program, it remains an entitlement program. That is, food stamp benefits will be provided to anyone who meets the eligibility requirement, and the program will not be block-granted (see "Spending on Food-Assistance Programs Decreased in 1997," elsewhere in this issue for more information on the Food Stamp Program). The Act's most important changes to the Food Stamp Program were the elimination of benefits to most legal immigrants (illegal immigrants have always been ineligible to participate in the program), the requirement for able-bodied adults without dependent children to meet new work requirements to receive food stamps, and a general reduction in food stamp benefits.

Under the Act, legal immigrants are ineligible for the Food Stamp

Program until they become citizens, have worked in the United States for at least 10 years (under certain circumstances, the work of a spouse or parent can be credited to a qualified legal alien), or are veterans of U.S. military service with an honorable discharge. Children born in the United States to ineligible immigrants are U.S. citizens and therefore may be eligible for food stamps even though their parents are not. Legal immigrants who are refugees or who have been granted asylum are eligible for food stamps during their first 5 years in the United States. Legal immigrants who were receiving food stamps when the Act was enacted but who are now made ineligible by the Act, are prohibited from participating in the Food Stamp Program after August 22, 1997.

The Act stipulates that able-bodied recipients ages 18 to 50 with no dependents can receive food stamp benefits for only 3 months in every 36-month period, unless they are: 1) working at least 20 hours a week; 2) participating in a work or employment and training program for at least 20 hours a week; or 3) participating in some type of "workfare" program. Searching for a job or participating in job-search training does not qualify as work. Exempted from this new work requirement are those who are physically or mentally unfit for employment, preg-

The author is an agricultural economist with the Food and Rural Economics Division, Economic Research Service, USDA.

nant women, those responsible for the care of an incapacitated person, postsecondary students already meeting program eligibility requirements, participants in substance-abuse treatment programs, and persons meeting unemployment compensation requirements. If the recipient finds work and then is laid off, an additional 3 months of benefits are allowed once in the 36-month period.

The Act offers waivers to this provision in recognition of the difficulties that some low-skilled workers face in finding and keeping permanent employment. Upon a State's request, USDA will automatically grant a waiver for areas in which the average unemployment rate in the past 12 months was greater than 10 percent. Because a 12-month average will mask portions of the year when unemployment rises above 10 percent, and also requires a sustained period of unemployment before an area becomes eligible for a waiver, States may opt to use a shorter moving average, such as a 3-month average. States may use historical unemployment trends to anticipate the need for waivers during certain periods in areas with predictable seasonal variations in unemployment. Because of the wide variation in local employment conditions within a State, States may request waivers at the county, city, or town level, or some combination thereof. Waivers will be granted for a maximum of 1 year, but they can be renewed if these conditions persist.

Because the unemployment rate alone is not always an adequate indicator of the employment prospects of people with limited skills and minimal work histories, the Act also provides States the opportunity to request waivers for areas where there are too few jobs for such people. Since there is no one standard method to determine the sufficiency of jobs in an area, States can use a number of criteria

when requesting waivers for areas with insufficient jobs. USDA makes decisions to approve waivers due to an insufficient number of jobs on a case-by-case basis.

As of March 1998, areas in 43 States and the District of Columbia

had been granted waivers of the work requirements for able-bodied adults without dependents because of either insufficient jobs or unemployment greater than 10 percent. USDA has estimated that about 35 percent of the people who would

Important Dates

August 22, 1996

President Clinton signs into law the Personal Responsibility and Work Opportunity Reconciliation Act.

Legal immigrants not enrolled as of this date are barred from the Food Stamp Program until they become citizens or are exempted based on work history or veteran, refugee, or asylee status.

November 14, 1996

Louisiana becomes the first State to receive waivers from the new food stamp work requirements for able-bodied adults without dependents in areas with an unemployment rate greater than 10 percent or in areas where there are too few jobs to provide employment.

March 1, 1997

Under the Act's able-bodied work provision, States can begin to terminate food stamp benefits for jobless adults age 18 to 50 who have used 3 months of benefits in a 3-year period.

June 12, 1997

The Murray/Gorton Amendment (P.L. 105-18) is signed into law. Under the amendment, USDA may grant approval for a State to issue food stamp benefits to people who would otherwise lose Federal Food Stamp Program benefits as a result of the non-

citizen restrictions or able-bodied adult work requirements.

July 1, 1997

This is the deadline for States to submit to the U.S. Department of Health and Human Services their required plans outlining how they intend to conduct their TANF program. Once States submit their TANF plans, the work requirements and 5-year time limit begin.

The Child and Adult Care Food Program's two-tier reimbursement system becomes effective.

August 5, 1997

The 1997 Balanced Budget Reconciliation Act is enacted. As a result of a provision in the Act, States may exempt an additional 15 percent of able-bodied adults without dependents who are not otherwise exempt from the 3 months in 3 years time limit.

August 22, 1997

Ineligible legal immigrants are prohibited from participating in the Food Stamp Program.

September 30, 2002

The Food Stamp Program is reauthorized through this date.

October 1, 2002

All States are required to have implemented Electronic Benefit Transfer (EBT), unless granted a waiver by USDA.

otherwise be affected by this provision lived in areas covered by a waiver.

Several recent pieces of legislation have modified the impact of the Welfare Reform Act on legal immigrants and able-bodied adults without dependents. As a result of the Murray/Gorton Amendment (P.L. 105-18, signed into law on June 12, 1997), States, with approval from USDA, may now establish their own benefit programs for people ineligible for the Federal Food Stamp Program due to the Act's noncitizen restrictions or work requirements for able-bodied adults. However, the State must pay USDA the value of the benefits issued and all other Federal costs incurred in providing the benefits (including the cost of printing, shipping, and redeeming the food stamp coupons). This option offers States a more efficient, less expensive means of providing food assistance to ineligible legal immigrants and able-bodied adults than would establishing their own food voucher program. As of January 1998, USDA had approved nine State-funded benefit plans for Washington, New York, Rhode Island, Nebraska, New Jersey, Maryland, Florida, California, and Illinois to serve all or part of their legal immigrant population made ineligible for food stamps due to welfare reform.

As a result of the 1997 Balanced Budget Reconciliation Act, enacted August 5, 1997, States may allow 15 percent of able-bodied adults without dependents who have used up their 3 months of benefits to remain in the Food Stamp Program. The 15 percent is in addition to those who are exempt through statutory exemptions or USDA-approved waivers. The Balanced Budget Reconciliation Act also provided additional 100 percent Federal employment and training funding for States to use in creating training and workfare opportunities for able-bodied adults without dependents.

Income and Asset Eligibility Standards for Food Stamps Are Modified

In order to receive food stamps, households must meet both a gross and net income test as well as an asset test. Gross income includes most cash income and excludes most noncash, or in-kind benefits. Under the Act, some energy assistance will now be considered part of the recipient's gross income (Federal energy assistance will still be excluded), and households are required to include the earnings of students over age 17 (instead of age 22) in secondary schools as part of their gross income.

Net income is gross income minus six allowable deductions: a standard deduction, and deductions for earned income, dependent care, medical expenses, child support, and excess shelter expenses (this accounts for the effect of higher than average shelter costs on a low-income household's ability to purchase food). The new law freezes the standard deduction at its 1996 level (\$134 for the 48 contiguous States and Washington, DC) and will not adjust the deduction for future inflation. As a result of the Act, the excess shelter deduction, which is equal to shelter costs (such as rent or mortgage payments) that exceed half of the household's income once other deductions are taken into consideration, is limited through fiscal 2001, and frozen at fiscal 2001 levels thereafter (under prior legislation, the limit on excess shelter expenses was scheduled to be removed in 1997).

To receive food stamps, households may not have more than \$2,000 in countable assets (\$3,000 if the household contains a person age 60 or over). The new Act requires that the fair market value of certain vehicles over \$4,650 be counted toward the asset limit, and this threshold will not be indexed for

inflation (under the prior law, this threshold was scheduled to be increased to \$5,000 in October 1996 and indexed for inflation thereafter).

Food Stamp Benefits Are Reduced

Changes in how net income is calculated affect not only food stamp eligibility but also food stamp benefits, since an individual household's food stamp allotment is equal to the maximum allotment for that household's size, less 30 percent of the household's net income. The maximum food stamp allotment is based on the cost of USDA's Thrifty Food Plan, a low-cost model food plan that meets standards for a nutritious diet and is adjusted annually to reflect changes in the cost of food. As a result of the Act, the maximum food stamp allotment is equal to 100 percent of the cost of the Thrifty Food Plan rather than the prior 103 percent. (However, the amount of food stamp benefits a household received in fiscal 1997 could not be less than the amount it received in fiscal 1996 as a result of this provision.)

Act Increases States' Flexibility

The 1996 Act simplifies administration of the Food Stamp Program by expanding States' flexibility in setting requirements for service, such as by waiving office interviews for elderly or disabled applicants. States also have the option to operate a Simplified Food Stamp Program for households in which members participate in the Temporary Assistance for Needy Families Program (TANF), a cash welfare block grant created by the welfare reform act to replace AFDC, which was the Nation's major cash assistance program to poor families. Under the Simplified Food Stamp

Program, States may determine food stamp benefits using TANF rules (which may be more or less restrictive than Food Stamp Program rules), regular food stamp rules, or a combination of the two, as long as the State's simplified program does not increase Federal food stamp costs.

States will also have greater flexibility in running the Food Stamp Program Employment and Training Program, designed to help household members gain job skills and training. The Act increases Federal funding for the program each year, with \$75 million budgeted in fiscal 1996, \$79 million in fiscal 1997, \$81 million in fiscal 1998, and \$84 million in fiscal 1999. Funding will then increase by \$2 million per year until fiscal 2002. (However, the 1997 Balanced Budget Reconciliation Act further increased Federal funding for the program so that it will now total \$212 million in fiscal 1998, \$215 million in fiscal 1999, \$217 million in fiscal 2000, \$219 million in fiscal 2001, and \$165 million in fiscal 2002. States are required to spend at least 80 percent of the employment and training funds to serve food stamp recipients who are required to participate in work activities under the able-bodied-adults-without-dependents provision.)

Other Changes in the Food Stamp Program

The new law prohibits an increase in food stamp benefits when a household's income is reduced because of a penalty imposed under an income-based public-assistance program, such as failure to comply with the TANF program's work requirements. States may disqualify individuals from the Food Stamp Program if they are disqualified from another public-assistance program for failing to perform a required action under that program. The Act strengthens penalties for fraudulent behavior or trafficking in

food stamps (selling or buying food stamps for cash or nonfood items). It doubles penalties for food stamp recipients who commit fraud. Individuals convicted of trafficking in \$500 worth of food stamps or more are permanently disqualified from receiving food stamps. Those convicted of fraudulently receiving multiple benefits are disqualified for 10 years. The Act disqualifies most individuals who were convicted of a felony after August 22, 1996, for using, possessing, or distributing illegal drugs, although States may opt out of this provision. The Act also improves USDA's ability to monitor foodstore compliance by establishing new reporting requirements.

The 1996 Act also requires States to implement an Electronic Benefit Transfer (EBT) system for distributing food stamp benefits before October 2002 unless granted a waiver by USDA. It also exempts food stamp EBT systems from Regulation E, which limits the liability for loss resulting from the unauthorized use of electronic funds transfer cards. This exemption means that food stamp recipients would bear the full responsibility for benefits lost through the unauthorized use of their EBT cards. (See "All Food Stamp Benefits To Be Issued Electronically," elsewhere in this issue for more information on electronic food stamp benefits.)

Child Nutrition Programs Are Also Affected

Although the Act's biggest changes are to the Food Stamp Program, other food-assistance programs will be affected as well. The most substantive changes include restructuring reimbursement rates in the Child and Adult Care Food Program and reducing subsidies in the Summer Food Service Program. The Act also lets States determine the eligibility of illegal aliens to receive benefits from the Special

Supplemental Nutrition Program for Women, Infants, and Children (WIC); Summer Food Service Program; Child and Adult Care Food Program; Special Milk Program; Commodity Supplemental Food Program; The Emergency Food Assistance Program (TEFAP); and the Food Distribution Program on Indian Reservations.

The Child and Adult Care Food Program provides meals and snacks in childcare centers, family daycare homes, and adult daycare centers. The program ensures that children and adults receive healthy meals by reimbursing participating daycare operators for meal costs and providing them with selected foods. Prior to the welfare reform act, Federal subsidy rates for meals and snacks served to children in eligible family daycare homes did not differentiate by the family income of the child, unlike payments to childcare and adult care centers. About two-thirds of the spending for meals in these family daycare centers was for children that were not poor. The new Act institutes a two-tier system of reimbursements where family daycare homes in low-income areas, or whose own households are low-income, are reimbursed at rates similar to those provided before the Act (tier I). However, the reimbursement rate for meals served at family daycare centers in middle- and upper-income neighborhoods is reduced to \$0.98 for lunch/supper and \$0.33 for breakfast (tier II), compared with \$1.62 and \$.88 in tier I homes for the July 1997 to June 1998 period. Tier II homes may elect to receive higher tier I subsidies for meals/snacks served to children who are documented as coming from households with income below 185 percent of the poverty guidelines (\$29,693 for a family of four in 1997).

Several provisions of the Act affect the Summer Food Service Program, which provides free meals to low-income children during

Who Are Most likely To Be Affected by the Act's Food Stamp Program Provisions

In fiscal 1995, an average of 27 million people participated in the Food Stamp Program each month. Slightly over half of the food stamp recipients were children. Whites (41 percent) and African-Americans (35 percent) made up over three-quarters of all recipients according to a 1995 sample, the most current year for which socioeconomic data are available for all participants as well as for permanent residents and able-bodied recipients (see table). Among adult recipients 18 years and older, 70 percent were female, 43 percent lacked a high school degree, and only 16 percent were employed.

Several of the Act's provisions reduce the level of food stamp benefits. For example, the reduction in food stamp benefits, from 103 percent of the cost of the Thrifty Food Plan to 100 percent, will reduce the amount of benefits for food stamp recipients across the board. Freezing the standard deduction (which is subtracted from gross income to derive net income) reduces the level of food stamp benefits for most participating households (households with no or very low income will not be affected). The relative impact of freezing the standard deduction will be greater in later years, as the effects of not adjusting for inflation accumulate over time.

Limits on excess shelter deductions will limit the food stamp benefits for families with higher than average shelter costs. The General Accounting Office estimates that in absence of the cap on the excess shelter expense deduction in 1995, food stamp benefits for the 1.1 million households (or about 10 of all food stamp households) affected by the cap would have increased by an average 12 percent. Households affected by the cap on excess shelter deductions are more likely to have more household members, contain

children, be headed by a single female, and be located in the Northeast and West.

Other provisions in the Act are expected to affect eligibility in the Food Stamp Program. A recent FNS-sponsored report by Mathematica Policy Research profiled the recipients who are the most likely to lose their eligibility in the Food Stamp Program—legal immigrants and able-bodied, unemployed adults without dependents.

Legal Immigrants

There were an estimated 1.4 million permanent resident aliens receiving food stamps in 1995, or 5 percent of the total food stamp population. Based on this number and adjusting for those with veterans status and satisfying the years of work requirement, FNS estimates that about 900,000 legal immigrants were expected to lose eligibility in 1997 as a result of the Act's restrictions on Food Stamp Program participation by legal immigrants. Permanent resident aliens differed from other food stamp recipients in several ways. Only 17 percent of the permanent residents were children less than 18 years of age, compared with over half of all food stamp recipients. Hispanics constituted 54 percent of all permanent resident aliens and Asians and Pacific islanders accounted for another 20 percent, while these two groups combined accounted for only 22 percent of all food stamp recipients.

Permanent resident alien households were larger, containing an average of 3 members compared with 2.5 people for all food stamp households. Although children accounted for only 17 percent of all permanent resident aliens, two-thirds of all permanent resident

households contained children (many of whom were U.S. citizens).

Able-Bodied Adults

In 1995, an estimated 1.3 million people, or about 5 percent of all food stamp recipients, would have been subject to the Act's work requirement for able-bodied adults (18 to 50 years of age). This represents the upper estimate of the number of people who could lose their eligibility, as the report did not contain all the information needed to determine eligibility for each individual. For example, some may have been granted waivers for residing in a high-unemployment area.

Unlike the total group of adult food stamp recipients, the majority (58 percent) of able-bodied recipients were male. Able-bodied adults also were more likely to reside in a small household; 74 percent of able-bodied recipients lived in one-person households, compared with only 29 percent of all food stamp recipients. By definition, able-bodied households did not contain children, while 60 percent of all food stamp households had at least one child residing in them.

The Act stipulates that able-bodied recipients can receive food stamp benefits for only 3 months in every 36-month period, unless they are working at least 20 hours a week or participating in a work or employment and training program or workfare program. At the time of the report, only 4 percent of all able-bodied recipients were employed and over two-thirds had received food stamp benefits for over 3 consecutive months. An estimated 4 percent of all able-bodied adults (55,000 persons) were permanent resident aliens who, therefore, also would have been subject to the legal immigrant provisions of the Act.

Selected Characteristics of Food Stamp Recipients, 1995

Selected characteristic	All food stamp recipients ¹	Permanent resident aliens ²	Able-bodied recipients ^{2, 3}
		<i>Million</i>	
All participants	27.0	1.4	1.3
		<i>Percent</i>	
Age:			
Under 18 years	52	17	0
18-59 years	41	66	100
60 years and over	7	17	0
Sex:			
Male	41	36	58
Female	60	64	42
Race/ethnicity:			
White (non-Hispanic)	41	14	43
Black (non-Hispanic)	35	8	41
Hispanic	18	54	11
Asian or Pacific Islander	3	20	2
Other or unknown	3	4	3
		<i>Million</i>	
Adult recipients (18 years of age and over)	13.0	1.2	1.3
		<i>Percent</i>	
Sex:			
Male	30	NA	58
Female	70	NA	42
Education: ⁴			
Less than high school	43	65	41
High school	43	24	44
Some college	14	12	15
Employment status:			
Employed	16	19	4
Unemployed	9	6	20
Not in labor force	71	71	76
Unknown	4	4	0
		<i>Thousand</i>	
Total households participating	10,883	958	NA
		<i>Persons</i>	
Average size	2.5	3	1.3
		<i>Percent</i>	
Households with children	60	66	0
		<i>Dollars</i>	
Average monthly food stamp benefit per household	172	196	NA

Notes: NA = Not available. ¹Source: U.S. Department of Agriculture, Food and Consumer Service. *Characteristics of Food Stamp Households, Fiscal Year 1995*. April 1997. ²Source: Mathematica Policy Research, Inc. *Characteristics of Childless Unemployed Adult and Legal Immigrant Food Stamp Participants: Fiscal Year 1995*. Reference No. 8370-003. Feb. 13, 1997. ³All able-bodied recipients were 18-50 years of age. ⁴Based on those adults reporting education status.

school vacations. The program is operated in low-income areas by sponsors who are reimbursed by USDA for the meals they serve. In order to more closely conform operating subsidies to those paid in other child-nutrition programs, the Act reduces reimbursement rates for the Summer Food Program from \$2.23 to \$2.02 per lunch and from \$1.24 to \$1.16 per breakfast. The new rates will be indexed annually for inflation. The Act also eliminates startup and expansion grants that were used for initiating and expanding both the Summer Food Service and School Breakfast Programs.

TANF Program Impacts Food-Assistance Programs

One of the Act's most important changes to the Nation's welfare system was the replacement of four cash welfare programs, including AFDC, with the TANF program. Federal spending for the TANF block grant is capped at \$16.4 billion per year through fiscal 2002 (the Federal Government was expected to spend \$15.9 billion on AFDC and related programs in fiscal 1997). Each State is entitled to a portion of the grant, based on the amount of Federal money it has received for AFDC and related programs in recent years. States can receive supplemental grants in addition to the basic block grant under certain circumstances, such as unusually high population growth or an increase in the number of food stamp recipients. To receive their full TANF block grant, States are required to continue to spend some of their own resources, based on historical State spending levels, on behalf of TANF-eligible families.

The Act increases State flexibility in providing assistance to low-income families. States are granted wide latitude in using their block

grant allocation, but are required to have objective criteria for delivering benefits and determining eligibility and must ensure fair and equitable treatment. TANF benefits do not have to be in the form of cash. For example, they could be used for employment-placement programs or to provide childcare services. Block grant funds may be spent only on needy families with (or expecting) a child. As of July 1, 1997, all 50 States and the District of Columbia had begun implementing their TANF programs.

The Act ends an individual's entitlement to cash welfare payments provided under the old AFDC program by making TANF benefits temporary and provisional. Families are limited to receiving TANF benefits for a maximum of 5 years, whether or not consecutive, or less at the States' option. (Twenty-one States have opted for time limits of fewer than 5 years.) However, States are permitted to exempt up to 20 percent of their recipients from the time-limit provision. Most adults participating in the program are required to work after 2 years, or less at the States' option, in order to continue receiving benefits.

(Twenty-one States have opted to require participating adults to work after fewer than 2 years.) States may exempt from work requirements single parents of children under age 1. States are required to have a specific and gradually increasing percentage of their adult welfare recipients in work activities, or the States will face a reduction in their TANF block grants.

The replacement of the AFDC program with the TANF program indirectly affects the Food Stamp Program. For households participating in the Food Stamp Program, the amount of their food stamp benefit is based on several factors, including their net monthly income. TANF cash benefits are included in countable income. Thus, for every additional dollar of TANF cash benefits,

food stamp benefits are reduced by 30 cents (conversely, food stamp benefits increase 30 cents for every dollar decrease in TANF cash benefits). If TANF lowers average cash payments below what recipients would have gotten under the AFDC program, food stamp benefits to these families will increase if they are not able to increase their income from other sources. (Recipients who fail to fulfill TANF provisions may have their food stamp benefits reduced.)

The loss or reduction of AFDC benefits can mean a significant reduction in income for some food stamp households (see "How Government Assistance Affects Income," elsewhere in this issue). Data based on a sample of food stamp households in 1996 indicated that 37 percent of all food stamp households received AFDC payments, including 61 percent of all food stamp households with children. Income from the AFDC program represented 69 percent of gross income for those food stamp households participating in the AFDC program.

Act Will Reduce Federal Spending for Food Assistance

The Welfare Reform Act is expected to significantly reduce Federal spending on the Food Stamp and Child Nutrition Programs over what would have been spent under prior legislation. The Congressional Budget Office, in a study completed prior to the Act's enactment, estimated that the Act would reduce total Federal spending by \$54.2 billion over 1997 to 2002, nearly half of which was attributed to cuts in the Food Stamp Program and (to a lesser degree) child nutrition programs. However, because many factors that can affect

the Act's budgetary impacts are difficult to predict, estimates at this time are speculative.

For example, the degree to which the Act's provisions reduce Food Stamp Program expenditures depends in part on how many people would have participated in the program under the prior provisions. Food Stamp Program participation responds to economic conditions, expanding when the economy is in recession, and contracting when the economy is growing and job opportunities and wages are favorable. Some recipients cut from the Food Stamp Program may find increased income opportunities in a growing economy and would have left the Food Stamp Program anyway. Because of the improvement in the Nation's economy in recent years, food stamp participation was in decline even before the enactment of the Act, thereby lessening its impact in fiscal 1997. Conversely, an economic downturn in the future could increase the impact of the Act on Federal food-assistance spending (see "Economic Growth, Welfare Reform, and the Food Stamp Program," elsewhere in this issue).

Other impacts will depend on how States implement their new-found flexibility. Some States are still working to develop plans for implementing Simplified Food Stamp Programs, which may be more restrictive than current Food

Stamp Program rules. The degree to which States request future waivers to exempt food stamp recipients from the work requirement for able-bodied adults because they reside in areas with an unemployment rate greater than 10 percent or in areas where there are too few jobs to provide employment will also affect Food Stamp Program outlays.

Future legislation may revise various aspects of the Act. Already recent legislation has modified the impact of the Act on legal immigrants and able-bodied adults without dependents. The Congressional Budget Office has estimated that the Balanced Budget Act of 1997, which allows States to continue food stamp benefits past the 3-month limit for up to 15 percent of the able-bodied adults with no dependents and provides additional Food Stamp Employment and Training Program funds, will increase food stamp expenditures by \$1.5 billion from fiscal 1998 to 2002.

The future cost of the Food Stamp Program is also indirectly affected by the Act's changes to other welfare programs, such as the TANF program. However, some of these provisions have yet to be implemented. For example, many adults currently participating in the TANF program have not yet encountered their time limit on receiving welfare benefits. Much of the success of the Act in reducing both welfare dependency and Federal spending will ultimately depend on the degree to which welfare recipients obtain jobs that make them self-sufficient.

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